

Camden County Municipal Utilities Authority

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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

In re: : Case No. 08-14631 GMB

SHAPES/ARCH HOLDINGS L.L.C., et. al., : Chapter 11

Debtors.

**:OBJECTION TO CONFIRMATION OF
DEBTORS' PLAN OF
: REORGANIZATION**

The Camden County Municipal Utilities Authority (hereinafter the "CCMUA") objects to the confirmation of Debtor's proposed plan of reorganization for the following reasons:

1. The Joint Disclosure Statement For The Debtors' Third Amended Plan of Reorganization (hereinafter "Disclosure Statement") lists the Camden County Municipal Utilities Authority (hereinafter "CCMUA") as a Class 5 General Unsecured Claim pursuant to Section E Classification of Impaired Claims and Interests.

2. 11 U.S.C. § 1122(a) provides in pertinent part "...a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class".

3. The CCMUA has valid and perfected municipal sewer liens on the properties owned by the debtors. These secured liens are first priority liens on the real properties, pursuant to New Jersey

State Law in accordance with N.J.S.A. 40:14B-42 which states in pertinent part:

In the event that a service charge of any municipal authority with regard to any parcel of real property owned by any person other than the State or an agency or subdivision thereof shall not be paid as and when due, the unpaid balance thereof shall be alien on such parcel. Such liens shall be superior and paramount to the interest in such parcel...except the lien of municipal taxes and shall be on parity with and deemed equal to the lien on such parcel of the municipality where such parcel is situate....

The foregoing constitutes statutory liens pursuant to 11 U.S.C. §101(53).

4. A statutory lien may be avoided under the Provisions of 11 U.S.C. §545. However, in this instance, the CCMUA liens were perfected prior to commencement of the bankruptcy on March 1, 2008 and is therefore not voidable under the Bankruptcy Code. Debtors' Bankruptcy Petition was not filed until March 16, 2008.

5. The CCMUA is a secured creditor, having filed a proof of claim in the amount of \$95,256.30. The proof of claim was received and filed by EPIQ Bankruptcy Solutions, LLC on May 15, 2008.

Laurence E. Rosoff, Solicitor

s/ Katherine S. Wade

Dated: June 30, 2008

By: Katherine S. Wade
Attorney for Camden County
Municipal Utilities Authority